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**FISCAL IMPACT STATEMENT**

**LS 6845**

**BILL NUMBER: SB 312**

**NOTE PREPARED: Feb 28, 2008**

**BILL AMENDED: Feb 26, 2008**

**SUBJECT:** Reorganization of County Executives and Legislative Authority.

**FIRST AUTHOR:** Sen. Boots

**BILL STATUS:** As Passed House

**FIRST SPONSOR:** Rep. Moses

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill does the following.

*Reorganization of County Executive and Legislative Structure:* The bill permits a county to reorganize its executive and legislative structure and powers so that all executive authority is exercised by a single elected county executive and all legislative and fiscal powers is exercised by the county council (as constituted under current law). The bill requires (1) the county executive to adopt an ordinance to reorganize the county executive and legislative powers; and (2) the reorganization to be approved by the voters of the county. It provides that such an ordinance may be adopted only in an even-numbered year.

It provides that if the county's voters vote in favor of the public question, the first single-member county executive would be elected at the second general election that is held after the general election at which the voters approve the reorganization. It also provides for transition from a three-member county executive to the single-member county executive.

The bill provides that if a county adopts a single county executive form of government, the county council rather than the county executive is responsible for redistricting the county council. (In Lake County, the county redistricting commission would continue to redistrict county council districts.) It provides that the only reason that county council districts may be changed after the first redistricting after a decennial census is to conform the districts to statutory requirements.

*Elimination of Public Hearings and Taxpayer Statements:* The bill eliminates the requirements for: (1) a political subdivision to hold a public hearing annually on its estimated budget and tax levies; and (2) the county auditor to annually mail a property tax information statement to taxpayers.

It makes technical and other changes to conform the law to the substantive changes.

**Effective Date:** (Amended) Upon passage; July 1, 2008.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Reorganization of County Executive and Legislative Structure:* The effect of the bill will depend on the voters adopting the public question and the decisions of the county council. If the public question is adopted, no current county executive or legislative responsibility is reduced or eliminated. The duties are reassigned from a three-member board of county commissioners to a single, elected county executive, which could reduce compensation costs. However, executive compensation is determined by the county fiscal body, and any cost savings will result from the decisions of the fiscal body. Officers are compensated from the county general fund.

(Revised) *Elimination of Public Hearings and Taxpayer Statements:* By removing requirements for taxpayer information statements, certain notifications, and public meetings, local units in total could save up to \$1.65 M statewide.

The savings will result from reduced mailing and printing costs associated with the taxpayer information statements. Additional savings will result from not publishing certain budget and levy information and meeting notices twice, as currently required. These savings will vary based on the number of lines of print required in the public notice, for which the current square rate is \$5.39. The cost of holding a public meeting on the budget and levy will also vary by local unit.

(Revised) **Background and Additional Details -**

In all counties, the board of county commissioners is the executive of the county. It makes various appointments, such as appointing a county resident and a representative of a financial institution to the county land valuation commission and appointing the local alcohol and tobacco commission. The board also performs duties and exercises powers concerning the issuance and payment of bonds of the county and the expenditure of the unexpended proceeds of those bonds. Other statutory and constitutional duties include operating charity farms or county homes in counties with a population greater than 235,000.

Cost savings of \$1.65 M was calculated based on a mailing to 3.5 million taxpayers at a cost of \$0.41 and a printing cost of \$0.07.

The State Budget Agency (SBA) equalizes the cost per line across fonts in a table that uses the square rate to establish line rates based on type size. Effective January 1, 2005, the last date the SBA provided the information, the square rate was \$5.39.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** Counties; local units with taxing authority.

**Information Sources:** HB 1001-2006.

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